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EASTERN EUROPEAN INTELLIGENCER

5 January 1968

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US Mission Opposes Balance of Payments Restrictions
for West Berlin

The US Mission in Berlin has recommended that Berlin be excluded from that category of developed nations for which there is a scheduled moratorium on US investment under the Balance of Payments program. The Mission cites as reasons for this recommendation the US interest in and responsibility for the viability of West Berlin, and the great concern of the West Berliners over the future prospects of an already unsatisfactory situation.

Citing the fact that there has been no new significant investment in Berlin in the last two years, the Mission suggests that if four or five firms could be encouraged to establish themselves in Berlin annually, the effect would be helpful to Berlin's viability and very negligible to the balance of payments program.

Perhaps apprehensive, West Berlin Senat officials, as well as West German Embassy functionaries in Washington, have requested information on the significance of the program for West Berlin. Their interest stems in part from the impending trip of Governing Mayor Schuetz to the US--a major purpose of which is to stimulate further US investment in Berlin. However, Berlin newspapers have endorsed the President's move saying it deserves the support of Germany and other European nations.

Czechoslovak Reaction: Prague like the Hungarians and the Poles, has reported the program in a straightforward manner, attributing the program to Vietnam war costs and predicting a negative effect on Western European-US relations. Party daily Rude Pravo's article entitled "Sneeze in US, Pneumonia in Western Europe", described Western European shock at the announcement and alluded to DeGaulle's warning against "excessive political and economic influence" of the US in Western Europe.

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GRADING AND DECLASSIFICATION

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Yugoslavs to Host Mediterranean Conference

The 5 January Washington Post erroneously plays a Yugoslav-sponsored meeting of leftist forces-- scheduled for 15 January--as an apparent challenge to Soviet ideas on the composition of international Communist meetings. The conference, which was announced in the current issue of Komunist, will be a consultative gathering of progressive movements-- not just Communist parties--from the Mediterranean area to discuss the fight against imperialism.

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COMMENT: The Yugoslav meeting has been in the mill since mid-November. The initiative, which is in competition with plans by the World Peace Council for a similar conference, comes mainly from the Yugoslavs and the Algerians and is not meant as a challenge either to Soviet ideas of who should attend conferences of communist movements, or to the Budapest Communist conference. The conference will emphasize Tito's contention, however, that non-communist progressive movements as well as communist parties should attend gatherings that relate to their respective areas of interest. Tito apparently will not attend, since he will be in the middle of his Asia-African trip at that time.

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Rumanian Parliament Approves New Amnesty

The amnesty and pardon legislation approved on 27 December generally tends to amnesty most offenses against the criminal code, but fails to pardon those convicted of economic crimes against the state.

The report of parliament's juridical committee stated that, as a result of this legislation, about 50 percent of all prisoners would be released with reductions of sentences for most of those still remaining imprisoned.

COMMENT: Inasmuch as the legislation was approved immediately prior to the republic's 20th anniversary celebration on 30 December, the law seems primarily intended to broaden the regime's base of support.

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However, the effect of the law is severely limited by the fact that most political prisoners were amnestied by the regime in August 1964. Despite this, however, the new law is consonant with several cautious internal liberalization moves taken during 1967.

UN Requests US Visa for East German Journalist

UN Secretariat press functionaries are pressing the US to grant a visa to an East German journalist named Meyer. The application has been pending for three months and the UN Office of Public Information (OPI) believes Meyer is a qualified journalist and should not be denied a visa. The West Germans, who maintain an observer office at the UN, agree that the US has no alternative to issuing a visa, but suggested that we ask the OPI to caution Meyer to stick strictly to reporting and that the matter be discussed by the Quadripartite committee in Bonn.

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COMMENT: Actually, Meyer had applied early last summer to cover the 19 September opening of the 22nd General Assembly. If Meyer becomes accredited to the UN it will bring to three the number of East German journalists present in New York.

Rumania Stops Sending Students to the USSR

Rumania did not send any new students for study in the USSR during 1967, and those Rumanians who began their studies there in previous years will return home at the end of the current academic year.

When asked by a US diplomat why Bucharest had taken this action, two cultural officers of the Rumanian Embassy in Moscow evaded a direct answer by replying that Rumania was now training its students either at home or sending them abroad to countries other than the USSR. The Rumanian diplomats added that no more than 9 regular Rumanian students and "a few" special students were studying in the USSR as of late last December.

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COMMENT: This decision by Bucharest reflects in part the delicate state of Rumanian-Soviet relations, even though both Moscow and Bucharest continue to go through the motions of conducting a "normal" cultural exchange program. It also probably reflects Bucharest's desire to reduce Moscow's opportunities to "cultivate" young Rumanians, who might be useful at some future date.

NOTE: THE VIEWS EXPRESSED ABOVE REPRESENT
ONLY THE ANALYSIS OF THE EE DIVISION

LATE ITEM: According to Tanjug, the official Yugoslav news agency, Novotny has been replaced as First Secretary of the Czechoslovak communist party by Alexander Dubcek, presently Slovak party first secretary.

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